



Reprinted  
February 24, 2015

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## SENATE BILL No. 515

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DIGEST OF SB 515 (Updated February 23, 2015 5:43 pm - DI 110)

**Citations Affected:** IC 7.1-3.

**Synopsis:** Alcoholic beverage permits. Allows the alcohol and tobacco commission (commission) to issue: (1) eight new three-way permits to sell alcoholic beverages for on-premise consumption to applicants who are proprietors of restaurants located within, or not more than 1,500 feet from, a motorsports investment district; and (2) two new three-way permits to sell alcoholic beverages for on-premise consumption for premises located within a qualified motorsports facility. Requires, as a condition of eligibility for certain: (1) three-way, two-way, and one-way alcoholic beverage permits issued in a historic area; (2) three-way, two-way, and one-way alcoholic beverage permits issued in a municipal riverfront development project area; (3) three-way alcoholic beverage permits issued in a motorsports investment district area; and (4) three-way alcoholic beverage permits located within a qualified motorsports facility; that a municipal legislative body enter into a formal written commitment with the permit applicant regarding the character and type of business for which the permit is issued. Specifies that the ownership and location of a permit may not be transferred. Provides that if business operations cease at the location for which the permit was issued for more than six months, the permit reverts to the commission. Requires the commission to deny the renewal of a permit or revoke a permit if the written commitments are violated.

**Effective:** July 1, 2015.

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**Charbonneau, Alting, Lanane,  
Young R Michael**

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January 14, 2015, read first time and referred to Committee on Public Policy.  
February 19, 2015, amended, reported favorably — Do Pass.  
February 23, 2015, read second time, amended, ordered engrossed.

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SB 515—LS 7096/DI 87





Reprinted  
February 24, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## SENATE BILL No. 515

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A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 7.1-3-19-17 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2015]: **Sec. 17. (a) This section applies to a permit issued under**  
4 **IC 7.1-3-20-16(d), IC 7.1-3-20-16(g), IC 7.1-3-20-16(k), or**  
5 **IC 7.1-3-20-16(l).**

6       **(b) As a condition of eligibility for a permit, the applicant must**  
7 **enter into a formal written commitment with the municipal**  
8 **legislative body regarding the character or type of business that**  
9 **will be conducted on the permit premises. The municipal legislative**  
10 **body must adopt an ordinance approving the formal written**  
11 **commitment. A formal written commitment is binding on the**  
12 **permit holder and on any lessee or proprietor of the permit**  
13 **premises. When an application for renewal of a permit is filed, the**  
14 **applicant shall forward a copy of the application to the municipal**  
15 **legislative body. The municipal legislative body shall receive notice**  
16 **of any filings, hearings, or other proceedings on the application for**

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1 renewal from the applicant.

2 (c) A formal written commitment may be modified by the  
3 municipal legislative body with the agreement of the permit holder.

4 (d) If the character or type of business violates the formal  
5 written commitments, the municipality may adopt a  
6 recommendation to the local board and the commission to:

7 (1) deny the permit holder's application to renew the permit;

8 or

9 (2) revoke the permit holder's permit.

10 (e) The commission shall consider evidence at the hearing on the  
11 issue of whether the business violated the formal written  
12 commitments. If the commission determines there is sufficient  
13 evidence that the commitments have been violated by the  
14 permittee, the commission shall:

15 (1) deny the application to renew the permit; or

16 (2) revoke the permit;

17 as applicable.

18 SECTION 2. IC 7.1-3-20-16, AS AMENDED BY P.L.176-2013,  
19 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 2015]: Sec. 16. (a) A permit that is authorized by this section  
21 may be issued without regard to the quota provisions of IC 7.1-3-22.

22 (b) The commission may issue a three-way permit to sell alcoholic  
23 beverages for on-premises consumption only to an applicant who is the  
24 proprietor, as owner or lessee, or both, of a restaurant facility in the  
25 passenger terminal complex of a publicly owned airport. A permit  
26 issued under this subsection shall not be transferred to a location off  
27 the airport premises.

28 (c) The commission may issue a three-way, two-way, or one-way  
29 permit to sell alcoholic beverages for on-premises consumption only to  
30 an applicant who is the proprietor, as owner or lessee, or both, of a  
31 restaurant within a redevelopment project consisting of a building or  
32 group of buildings that:

33 (1) was formerly used as part of a union railway station;

34 (2) has been listed in or is within a district that has been listed in  
35 the federal National Register of Historic Places maintained  
36 pursuant to the National Historic Preservation Act of 1966, as  
37 amended; and

38 (3) has been redeveloped or renovated, with the redevelopment or  
39 renovation being funded in part with grants from the federal,  
40 state, or local government.

41 A permit issued under this subsection shall not be transferred to a  
42 location outside of the redevelopment project.



(d) **Subject to section 16.1 of this chapter**, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant:

(1) on land; or

(2) in a historic river vessel;

within a municipal riverfront development project funded in part with state and city money. **The ownership of a permit issued under this subsection and the location for which the permit was issued may not be transferred. The legislative body of the municipality in which the municipal riverfront development project is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.**

(e) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a renovation project consisting of a building that:

(1) was formerly used as part of a passenger and freight railway station; and

(2) was built before 1900.

The permit authorized by this subsection may be issued without regard to the proximity provisions of IC 7.1-3-21-11.

(f) The commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption at a cultural center for the visual and performing arts to the following:

(1) A town that:

(A) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); and

(B) has a population of more than twenty thousand (20,000) but less than twenty-three thousand seven hundred (23,700).

(2) A city that has an indoor theater as described in section 26 of this chapter.

(g) The commission may issue not more than ten (10) new



three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than seven hundred (700) feet from a district, that meets the following requirements:

(1) The district has been listed in the National Register of Historic Places maintained under the National Historic Preservation Act of 1966, as amended.

(2) A county courthouse is located within the district.

(3) A historic opera house listed on the National Register of Historic Places is located within the district.

(4) A historic jail and sheriff's house listed on the National Register of Historic Places is located within the district.

The legislative body of the municipality in which the district is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. An applicant is not eligible for a permit if, less than two (2) years before the date of the application, the applicant sold a retailer's permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this section or within seven hundred (700) feet of the district. **The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. A permit holder and any lessee or proprietor of the permit premises is subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.** The total number of active permits issued under this subsection may not exceed ten (10) at any time. The cost of an initial permit issued under this subsection is six thousand dollars (\$6,000).

(h) The commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in:

(1) a town with a population of more than twenty thousand (20,000); or

(2) a city with a population of more than forty-four thousand five hundred (44,500) but less than forty-five thousand (45,000);

located in a county having a population of more than one hundred ten



1 thousand (110,000) but less than one hundred eleven thousand  
 2 (111,000). The commission may issue not more than five (5) licenses  
 3 under this section to premises within a municipality described in  
 4 subdivision (1) and not more than five (5) licenses to premises within  
 5 a municipality described in subdivision (2). The commission shall  
 6 conduct an auction of the permits under IC 7.1-3-22-9, except that the  
 7 auction may be conducted at any time as determined by the  
 8 commission. Notwithstanding any other law, the minimum bid for an  
 9 initial license under this subsection is thirty-five thousand dollars  
 10 (\$35,000), and the renewal fee for a license under this subsection is one  
 11 thousand three hundred fifty dollars (\$1,350). Before the district  
 12 expires, a permit issued under this subsection may not be transferred.  
 13 After the district expires, a permit issued under this subsection may be  
 14 renewed, and the ownership of the permit may be transferred, but the  
 15 permit may not be transferred from the permit premises.

16 (i) After June 30, 2006, the commission may issue not more than  
 17 five (5) new three-way, two-way, or one-way permits to sell alcoholic  
 18 beverages for on-premises consumption to applicants, each of whom  
 19 must be the proprietor, as owner or lessee, or both, of a restaurant  
 20 located within a district, or not more than five hundred (500) feet from  
 21 a district, that meets all of the following requirements:

22 (1) The district is within an economic development area, an area  
 23 needing redevelopment, or a redevelopment district as established  
 24 under IC 36-7-14.

25 (2) A unit of the National Park Service is partially located within  
 26 the district.

27 (3) An international deep water seaport is located within the  
 28 district.

29 An applicant is not eligible for a permit under this subsection if, less  
 30 than two (2) years before the date of the application, the applicant sold  
 31 a retailers' permit that was subject to IC 7.1-3-22 and that was for  
 32 premises located within the district described in this subsection or  
 33 within five hundred (500) feet of the district. A permit issued under this  
 34 subsection may not be transferred. If the commission issues five (5)  
 35 new permits under this subsection, and a permit issued under this  
 36 subsection is later revoked or is not renewed, the commission may  
 37 issue another new permit, as long as the total number of active permits  
 38 issued under this subsection does not exceed five (5) at any time. The  
 39 commission shall conduct an auction of the permits under  
 40 IC 7.1-3-22-9, except that the auction may be conducted at any time as  
 41 determined by the commission.

42 (j) Subject to section 16.2 of this chapter, the commission may issue



not more than six (6) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant on land within a municipal lakefront development project funded in part with state, local, and federal money. A permit issued under this subsection may not be transferred. If the commission issues six (6) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed six (6) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial permit under this subsection is ten thousand dollars (\$10,000).

**(k) The commission may issue not more than eight (8) new three-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be a proprietor, as owner or lessee, or both, of a restaurant located:**

- (1) within a motorsports investment district (as defined in IC 5-1-17.5-11); or**
- (2) not more than one thousand five hundred (1,500) feet from a motorsports investment district.**

The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. If the commission issues eight (8) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed eight (8) at any time. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.

**(l) The commission may issue not more than two (2) new three-way permits to sell alcoholic beverages for on-premises consumption for premises located within a qualified motorsports facility (as defined in IC 5-1-17.5-14). The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. If the commission issues two (2)**



1 new permits under this subsection, and a permit issued under this  
2 subsection is later revoked or is not renewed, the commission may  
3 issue another new permit, as long as the total number of active  
4 permits issued under this subsection does not exceed two (2) at any  
5 time. A permit holder and any lessee or proprietor of the permit  
6 premises are subject to the formal written commitment required  
7 under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business  
8 operations cease at the permit premises for more than six (6)  
9 months, the permit shall revert to the commission. The permit  
10 holder is not entitled to any refund or other compensation.



## COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 515, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 3, after "under" insert "**IC 7.1-3-20-16(d)**".

Page 1, line 4, delete "IC 7.1-3-20-16(g)." and insert "**IC 7.1-3-20-16(g), or IC 7.1-3-20-16(k)**".

Page 1, line 13, delete "commission" and insert "**applicant**".

Page 1, line 16, delete "commission and local board." and insert "**applicant**".

Page 2, line 42, delete "The" and insert "**Subject to section 16.1 of this chapter, the**".

Page 3, line 7, delete "A" and insert "**The ownership of a**".

Page 3, line 7, after "subsection" insert "**and the location for which the permit was issued**".

Page 3, line 8, after "transferred." insert "**The legislative body of the municipality in which the municipal riverfront development project is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.**".

Page 6, after line 2, begin a new paragraph and insert:

**"(k) The commission may issue not more than eight (8) new three-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be a proprietor, as owner or lessee, or both, of a restaurant located:**

**(1) within a motorsports investment district (as defined in IC 5-1-17.5-11); or**

**(2) not more than one thousand five hundred (1,500) feet from a motorsports investment district.**

**The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. If the commission issues eight (8) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new**



permit, as long as the total number of active permits issued under this subsection does not exceed eight (8) at any time. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation."

and when so amended that said bill do pass.

(Reference is to SB 515 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 8, Nays 0.

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#### SENATE MOTION

Madam President: I move that Senate Bill 515 be amended to read as follows:

Page 1, line 4, delete "or".

Page 1, line 4, after "IC 7.1-3-20-16(k)" delete "." and insert ", or IC 7.1-3-20-16(l)".

Page 6, after line 35, begin a new paragraph and insert:

**"(l) The commission may issue not more than two (2) new three-way permits to sell alcoholic beverages for on-premises consumption for premises located within a qualified motorsports facility (as defined in IC 5-1-17.5-14). The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. If the commission issues two (2) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed two (2) at any time. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required**



**under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation."**

(Reference is to SB 515 as printed February 20, 2015.)

YOUNG R MICHAEL

